

## Message Text

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ACTION EUR-12

INFO OCT-01 AF-06 IO-10 ISO-00 EURE-00 SAM-01 SSO-00

NSCE-00 USIE-00 INRE-00 SAJ-01 ACDA-05 AID-05 CIAE-00

COME-00 EB-07 FRB-03 INR-07 NSAE-00 TRSE-00 XMB-02

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 STR-04

NEA-09 PM-03 H-02 L-02 NSC-05 PA-01 PRS-01 SS-15

AGR-05 FTC-01 JUSE-00 /120 W  
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FM AMEMBASSY LISBON

TO SECSTATE WASHDC IMMEDIATE 2424

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMCONSUL LOURENCO MARQUES

AMCONSUL LUANDA

AMEMBASSY MADRID

AMEMBASSY MOSCOW

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

USMISSION NATO

USMISSION USUN NEW YORK

AMEMBASSY VIENNA

DIA WASHDC

CINCLANT NORFOLK VA

USCINCEUR VAIHINGEN GER

USNMR SHAPE BRUSSELS BEL

AMCONSUL OPORTO

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E.O. 11652: N/A

TAGS: PINT, PFOR, PO, NATO

SUBJ: PRIME MINISTER'S PRESS CONFERENCE

SUMMARY: MAIN POINTS OF PRIME MINISTER'S PRESS CONFERENCE ARE THAT PORTUGAL WILL MAINTAIN ALL INTERNATIONAL COMMITMENTS; THERE HAS BEEN NO OUTSIDE POLITICAL INTERFERENCE IN PORTUGUESE AFFAIRS, BUT THERE HAVE BEEN INTERNATIONALLY CAUSED ECONOMIC DIFFICULTIES WHICH MAY LEAD TO A BOYCOTT BY MONOPOLIST INTERESTS: THE CONSTITUENT ASSEMBLY AND (FOURTH) PROVISIONAL GOVERNMENT WILL HAVE SEPARATE TASKS, AND THE ELECTIONS FOR THE ONE WILL HAVE NO EFFECT ON THE COMPOSITION OF THE OTHER; ECONOMIC REFORMS, BEGUN WITH NATIONALIZATION OF BANKS AND INSURANCE COMPANIES, WILL CONTINUE SO AS TO PUT PORTUGUESE ECONOMY ON ROAD OF TRANSITION TO SOCIALISM; AND AN EMERGENCY ECONOMIC PLAN WILL BE ENACTED IN THREE WEEKS. PM'S REMARKS SHOW USUAL MIXTURE OF PM'S IDEALISM, REALISM, DISTASTES, AND PHOBIAS. END SUMMARY.

1. PRIME MINISTER VASCO GONCALVES HELD PRESS CONFERENCE APRIL 8, PRECEDED BY LENGTHY SPEECH. MAIN POINTS FOLLOW:

2. FOREIGN POLICY:

A. OUTSIDE INTERFERENCE: PORTUGUESE EVENTS HAVE CAUSED WORRY ABROAD, AND EXPRESSIONS OF CONCERN HAVE BEEN MADE; BUT THIS IS NOT TO SAY THAT THERE HAS BEEN FOREIGN INTERFERENCE, EITHER DIRECT OR AT DIPLOMATIC LEVEL.

B. NATO: GOP HAS LIVED UP TO INTERNATIONAL COMMITMENTS ASSUMED BEFORE APRIL 25 AND WILL CONTINUE TO DO SO: BELONGING TO NATO OR LEAVING IT IS MATTER FOR PORTUGUESE PEOPLE TO DECIDE, NOT ONE FOR THE PROVISIONAL GOVERNMENT.

C. LAJES BASE: LAJES CANNOT BE USED AGAINST ARABS; BUT IT'S ONE THING TO SAY BASE CANNOT BE USED AGAINST ARABS--LIVING UP TO GOP'S INTERNATIONAL AGREEMENTS IS ANOTHER; ONLY LATER WILL PORTUGUESE PEOPLE--THROUGH THEIR ELECTED REPRESENTATIVES--BE ABLE TO DECIDE QUESTION OF CONTINUING THESE AGREEMENTS.  
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D. THIRD WORLD: IT IS INCORRECT TO SAY THAT GOP WILL ALIGN ITS POLICY WITH THIRD WORLD'S; GOP'S BASIC FOREIGN POLICY IS TO MAINTAIN OPEN RELATIONS WITH ALL COUNTRIES.

E. EAST EUROPE: GOP WILL HAVE SAME ATTITUDE TOWARDS EASTERN EUROPE AS TOWARDS THIRD WORLD.

3. FOREIGN ASSISTANCE , INVESTMENTS:

A. INTERNATIONAL ECONOMIC BOYCOTT: PORTUGUESE SOCIAL/ECONOMIC REFORMS HAVE NOT GONE DOWN WELL IN CERTAIN INTERNATIONAL POLITICAL AND ECONOMIC CIRCLES: EVEN BEFORE MARCH 11 THERE WERE MULTINATIONAL FIRMS PULLING OUT OF PORTUGAL; (REFERRING TO RECENT VISIT OF WEST GERMAN CDU LEADER) VON HASSEL SAID THAT CONDITIONS WERE NOT NOW APPROPRIATE FOR INVESTING IN PORTUGAL (NOTE: VAN HASSEL DENIED SAYING THIS); THESE ARE FACTORS GOP MUST TAKE INTO ACCOUNT; UNTIL NOW THERE HAS BEEN NO INTERNATIONAL ECONOMIC BOYCOTT, ONLY "DIFFICULTIES," BUT PORTUGAL MUST BE PREPARED FOR POSSIBILITY OF A BOYCOTT.

B. INVESTMENTS: GOP HAS RESPECTED THEM, DEMONSTRATING UTMOST CAUTION IN BANK AND INSURANCE COMPANY NATIONALIZATIONS; THERE IS NO GOOD REASON FOR FOREIGNERS TO BE AFRAID OF INVESTING IN PORTUGAL.

C. ASSISTANCE. PORTUGAL CANNOT AFFORD TO WAIT FOR MIRACULOUS SALVATION FROM ABROAD; PORTUGUESE PROGRESS MUST CENTER ON PORTUGUESE' OWN WORK.

4. ROLE OF GOVERNMENT BODIES:

(A) CONSTITUENT ASSEMBLY, PROVISIONAL GOVERNMENT: OBTAINING PARTY EQUILIBRIUM WAS NOT REPEAT NOT AN OBJECTIVE IN CONSTITUTING (FOURTH ) PROVISIONAL GOVERNMENT; ITS TASK WAS AND WILL BE TO SOLVE COUNTRY'S ECONOMIC PROBLEMS, TO PROVE CAPABLE OF GOVERNING NOW AND UNTIL END OF YEAR. ASSEMBLY'S TASK HAS NOTHING TO DO WITH THIS. THESE ARE TWO SEPARATE MATTERS, AND MIXING (ASSEMBLY) ELECTIONS RESULTS WITH GOVERNMENT'S ACTION CAN ONLY COMPLICATE MATTERS.

(B) COUNCIL OF THE REVOLUTION: POLITICAL AND MILITARY POWER IS LIMITED OFFICIAL USE

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CENTERED THERE.

(C) ROLE OF ELECTORAL PACT WITH PARTIES: "WE CANNOT LOSE, VIA THE ELECTORAL PATH, THAT WHICH IT HAS COST THE PORTUGUESE PEOPLE SO MUCH TO WIN." CONSTITUTION TO BE ADOPTED BY CONSTITUENT ASSEMBLY MUST TAKE INTO ACCOUNT THE PEOPLE'S ACHIEVEMENTS AND GUARANTEE CONTINUATION OF THE REVOLUTIONARY PROCESS IN COURSE.

5. ECONOMIC REFORM AGENDA:

(A) BASIC PATH: "WE ARE GOING TO HAVE AN ECONOMY OF TRANSITION TO SOCIALISM: THE LENGTH OF THIS TRANSITION CANNOT BE SPECIFIED, BUT IT CAN BE SAID THAT IT WILL BE ACCOMPLISHED PEACEFULLY, WITH MINIMUM OF DISTURBANCES AND CONVULSIONS POSSIBLE; SACRIFICES WILL BE NECESSARY, BUT THESE MUST BE VOLUNTARY, NOT

COERCED.

(B) EMERGENCY ECONOMIC PLAN: IN THREE WEEKS GOP WILL ANNOUNCE EMERGENCY MEASURES COVERING EMPLOYMENT, WAGES, PRICES, AND RENTS, STABILIZING THE COST OF LIVING, AND REGULATING INCOME FROM INVESTMENTS.

(C) AGRICULTURAL REFORM: THIS MUST FOLLOW ENACTMENT OF EMERGENCY ECONOMIC PLAN; AGRICULTURAL REFORM IS OF PRIORITY INTEREST, AND IT MUST BE ACCOMPLISHED THROUGH EFFORTS OF ALL-NO REFORMS FROM "ON TOPS," NO COERCIVE OR PATERNALISTIC MEASURES; PORTUGUESE FARMERS' ATTITUDES ARE BASED ON CENTURIES OF TRADITION, GOP MUST STIMULATE (IN NORTHERN PORTUGAL) FORMATION OF AGRICULTURAL ASSOCIATIONS AND COOPERATIVES.

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O R 091220Z APR 75

FM AMEMBASSY LISBON

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USMISSION USUN NEW YORK  
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DIA WASHDC  
CINCLANT NORFOLK VA  
USCINCEUR VAIHINGEN GER  
USNMR SHAPE BRUSSELS BEL  
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6. ATTITUDES TOWARD EXTREMISTS:

(A) PERPETRATORS OF MARCH 11 COUP: IT IS NOT OUR CUSTOM TO SHOOT PEOPLE; THERE WILL BE NO EXECUTIONS.

(B) FAR LEFT: THEY ARE VERY YOUNG; CERTAIN OF THESE GROUPS ARE WINDING UP LINKED TO RIGHTIST GROUPS; WE ALL KNOW THAT IN FIRST REPUBLIC (1911-1926) COURAGEOUS AND WELL-INTENTIONED YOUTHS THREW BOMBS, A WHOLLY FUTILE ACTIVITY; THE IDEA OF "SCORCHED EARTH" IS AN ERROR; WE MUST REEDUCATE, ENLIGHTEN THESE PEOPLE.

7. ATTITUDE TOWARD NON-EXTREMES:

ALL PORTUGUESE ARE INCLUDED IN WORK OF CONSTRUCTING THE NEW PORTUGAL, NOT JUST THE WORKING CLASS-THE PETITE BOURGEOISIE, THE MIDDLE CLASS ARE ALSO NEEDED, ONLY THE ELEMENTS OF MONOPLOY CAPITALISM ARE EXCLUDED.

8. COMMENT: PM'S REMARKS CONTAIN USUAL MIX OF THE MULTIPLE FACETS TO HIS VOLATILE CHARACTER. IDEALISM CAME THROUGH CLEARLY IN CONSTANT REFERENCES TO VOLUNTARY, PEACEFUL COOPERATION OF ALL PORTUGUESE IN RECONSTRUCTING SOCIETY. REALISM WAS DEMONSTRATED IN CALL FOR PORTUGUESE TO SHOULDER RESPONSIBILITIES THEMSELVES, NOT WAIT FOR "MIRACULOUS" OUTSIDE HELP. HE TOOK USUAL MILITARY APPROACH IN BLAMING POLITICAL PARTIES FOR CONDITIONS, THAT LED TO MARCH 11 COUP ATTEMPT. FINALLY, HIS VERY REAL PHOBIA OF "INTERNATIONAL MONOPOLY CAPITALISM" RANG THROUGH IN COMMENTS SUGGESTING THAT MULTINATIONAL FIRMS HAVE BEEN CONSPIRING TO DO IN PORTUGAL ECONOMICALLY.  
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## Message Attributes

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